

104TH CONGRESS
2D SESSION

H. R. 3081

To amend title III of the Public Health Service Act to consolidate and reauthorize provisions relating to health centers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 1996

Mr. RICHARDSON introduced the following bill; which was referred to the Committee on Commerce

A BILL

To amend title III of the Public Health Service Act to consolidate and reauthorize provisions relating to health centers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Health Centers Con-
5 solidation Act of 1996”.

6 **SEC. 2. CONSOLIDATION AND REAUTHORIZATION OF PRO-**
7 **VISIONS.**

8 Subpart I of part D of title III of the Public Health
9 Service Act (42 U.S.C. 254b et seq.) is amended to read
10 as follows:

1 “Subpart I—Health Centers

2 **“SEC. 330. HEALTH CENTERS.**

3 “(a) DEFINITION OF HEALTH CENTER.—

4 “(1) IN GENERAL.—For purposes of this sec-
5 tion, the term ‘health center’ means an entity that
6 serves a population that is medically underserved, or
7 a special medically underserved population com-
8 prised of migratory and seasonal agricultural work-
9 ers, the homeless, and residents of public housing,
10 by providing, either through the staff and supporting
11 resources of the center or through contracts or coop-
12 erative arrangements—

13 “(A) required primary health services (as
14 defined in subsection (b)(1)); and

15 “(B) as may be appropriate for particular
16 centers, additional health services (as defined in
17 subsection (b)(2)) necessary for the adequate
18 support of the primary health services required
19 under subparagraph (A);

20 for all residents of the area served by the center
21 (hereafter referred to in this section as the
22 ‘catchment area’).

23 “(2) LIMITATION.—The requirement in para-
24 graph (1) to provide services for all residents within
25 a catchment area shall not apply in the case of a

1 health center receiving a grant only under subsection
2 (f), (g), or (h).

3 “(b) DEFINITIONS.—For purposes of this section:

4 “(1) REQUIRED PRIMARY HEALTH SERVICES.—

5 “(A) IN GENERAL.—The term ‘required
6 primary health services’ means—

7 “(i) basic health services which, for
8 purposes of this section, shall consist of—

9 “(I) health services related to
10 family medicine, internal medicine, pe-
11 diatrics, obstetrics, or gynecology that
12 are furnished by physicians and where
13 appropriate, physician assistants,
14 nurse practitioners, and nurse mid-
15 wives;

16 “(II) diagnostic laboratory and
17 radiologic services;

18 “(III) preventive health services,
19 including—

20 “(aa) prenatal and perinatal
21 services;

22 “(bb) screening for breast
23 and cervical cancer;

24 “(cc) well-child services;

1 “(dd) immunizations against
2 vaccine-preventable diseases;

3 “(ee) screenings for elevated
4 blood lead levels, communicable
5 diseases, and cholesterol;

6 “(ff) pediatric eye, ear, and
7 dental screenings to determine
8 the need for vision and hearing
9 correction and dental care;

10 “(gg) voluntary family plan-
11 ning services; and

12 “(hh) preventive dental serv-
13 ices;

14 “(IV) emergency medical serv-
15 ices; and

16 “(V) pharmaceutical services as
17 may be appropriate for particular cen-
18 ters;

19 “(ii) referrals to providers of medical
20 services and other health-related services
21 (including substance abuse and mental
22 health services);

23 “(iii) patient case management serv-
24 ices (including counseling, referral, and fol-
25 low-up services) and other services de-

1 signed to assist health center patients in
2 establishing eligibility for and gaining ac-
3 cess to Federal, State, and local programs
4 that provide or financially support the pro-
5 vision of medical, social, educational, or
6 other related services;

7 “(iv) services that enable individuals
8 to use the services of the health center (in-
9 cluding outreach and transportation serv-
10 ices and, if a substantial number of the in-
11 dividuals in the population served by a cen-
12 ter are of limited English-speaking ability,
13 the services of appropriate personnel fluent
14 in the language spoken by a predominant
15 number of such individuals); and

16 “(v) education of patients and the
17 general population served by the health
18 center regarding the availability and prop-
19 er use of health services.

20 “(B) EXCEPTION.—With respect to a
21 health center that receives a grant only under
22 subsection (f), the Secretary, upon a showing of
23 good cause, shall—

1 “(i) waive the requirement that the
2 center provide all required primary health
3 services under this paragraph; and

4 “(ii) approve, as appropriate, the pro-
5 vision of certain required primary health
6 services only during certain periods of the
7 year.

8 “(2) ADDITIONAL HEALTH SERVICES.—The
9 term ‘additional health services’ means services that
10 are not included as required primary health services
11 and that are appropriate to meet the health needs
12 of the population served by the health center in-
13 volved. Such term may include—

14 “(A) environmental health services, includ-
15 ing—

16 “(i) the detection and alleviation of
17 unhealthful conditions associated with
18 water supply;

19 “(ii) sewage treatment;

20 “(iii) solid waste disposal;

21 “(iv) rodent and parasitic infestation;

22 “(v) field sanitation;

23 “(vi) housing; and

24 “(vii) other environmental factors re-
25 lated to health; and

“(B) in the case of health centers receiving grants under subsection (f), special occupation-related health services for migratory and seasonal agricultural workers, including—

“(i) screening for and control of infectious diseases, including parasitic diseases; and

“(ii) injury prevention programs, including prevention of exposure to unsafe levels of agricultural chemicals including pesticides.

“(3) MEDICALLY UNDERSERVED POPULATIONS.—

“(A) IN GENERAL.—The term ‘medically underserved population’ means the population of an urban or rural area designated by the Secretary as an area with a shortage of personal health services or a population group designated by the Secretary as having a shortage of such services.

“(B) CRITERIA.—In carrying out subparagraph (A), the Secretary shall prescribe criteria for determining the specific shortages of personal health services of an area or population group. Such criteria shall—

1 “(i) take into account comments re-
2 ceived by the Secretary from the chief ex-
3 ecutive officer of a State and local officials
4 in a State; and

5 “(ii) include factors indicative of the
6 health status of a population group or resi-
7 dents of an area, the ability of the resi-
8 dents of an area or of a population group
9 to pay for health services and their acces-
10 sibility to them, and the availability of
11 health professionals to residents of an area
12 or to a population group.

13 “(C) LIMITATION.—The Secretary may not
14 designate a medically underserved population in
15 a State or terminate the designation of such a
16 population unless, prior to such designation or
17 termination, the Secretary provides reasonable
18 notice and opportunity for comment and
19 consults with—

20 “(i) the chief executive officer of such
21 State;

22 “(ii) local officials in such State; and

23 “(iii) the organization, if any, which
24 represents a majority of health centers in
25 such State.

1 “(D) PERMISSIBLE DESIGNATION.—The
2 Secretary may designate a medically under-
3 served population that does not meet the cri-
4 teria established under subparagraph (B) if the
5 chief executive officer of the State in which
6 such population is located and local officials of
7 such State recommend the designation of such
8 population based on unusual local conditions
9 which are a barrier to access to or the availabil-
10 ity of personal health services.

11 “(c) PLANNING GRANTS.—

12 “(1) IN GENERAL.—

13 “(A) CENTERS.—The Secretary may make
14 grants to public and nonprofit private entities
15 for projects to plan and develop health centers
16 which will serve medically underserved popu-
17 lations. A project for which a grant may be
18 made under this subsection may include the
19 cost of the acquisition, expansion, and mod-
20 ernization of existing buildings and construction
21 of new buildings (including the costs of amortiz-
22 ing the principal of, and paying the interest on,
23 loans) and shall include—

24 “(i) an assessment of the need that
25 the population proposed to be served by

1 the health center for which the project is
2 undertaken has for required primary
3 health services and additional health serv-
4 ices;

5 “(ii) the design of a health center pro-
6 gram for such population based on such
7 assessment;

8 “(iii) efforts to secure, within the pro-
9 posed catchment area of such center, fi-
10 nancial and professional assistance and
11 support for the project;

12 “(iv) initiation and encouragement of
13 continuing community involvement in the
14 development and operation of the project;
15 and

16 “(v) proposed linkages between the
17 center and other appropriate provider enti-
18 ties, such as health departments, local hos-
19 pitals, and rural health clinics, to provide
20 better coordinated, higher quality, and
21 more cost-effective health care services.

22 “(B) COMPREHENSIVE SERVICE DELIVERY
23 NETWORKS AND PLANS.—The Secretary may
24 make grants to health centers that receive as-
25 sistance under this section to enable the centers

1 to plan and develop a network or plan for the
2 provision of health services, which may include
3 the provision of health services on a prepaid
4 basis or through another managed care ar-
5 rangement, to some or to all of the individuals
6 which the centers serve. Such a grant may only
7 be made for such a center if—

8 “(i) the center has received grants
9 under subsection (d)(1)(A) for at least 2
10 consecutive years preceding the year of the
11 grant under this subparagraph or has oth-
12 erwise demonstrated, as required by the
13 Secretary, that such center has been pro-
14 viding primary care services for at least
15 the 2 consecutive years immediately pre-
16 ceding such year; and

17 “(ii) the center provides assurances
18 satisfactory to the Secretary that the pro-
19 vision of such services on a prepaid basis,
20 or under another managed care arrange-
21 ment, will not result in the diminution of
22 the level or quality of health services pro-
23 vided to the medically underserved popu-
24 lation served prior to the grant under this
25 subparagraph.

1 Any such grant may include the acquisition and
2 lease, expansion, and modernization of existing
3 buildings, construction of new buildings, acquisition or lease of equipment which may include
4 data and information systems, and providing
5 training and technical assistance related to the
6 provision of health services on a prepaid basis
7 or under another managed care arrangement,
8 and for other purposes that promote the development of managed care networks and plans.

11 “(2) LIMITATION.—Not more than two grants
12 may be made under this subsection for the same
13 project, except that upon a showing of good cause,
14 the Secretary may make additional grant awards.

15 “(d) OPERATING GRANTS.—

16 “(1) AUTHORITY.—

17 “(A) IN GENERAL.—The Secretary may
18 make grants for the costs of the operation of
19 public and nonprofit private health centers that
20 provide health services to medically underserved
21 populations.

22 “(B) ENTITIES THAT FAIL TO MEET CERTAIN
23 REQUIREMENTS.—The Secretary may
24 make grants, for a period of not to exceed 2-
25 years, for the costs of the operation of public

1 and nonprofit private entities which provide
2 health services to medically underserved popu-
3 lations but with respect to which the Secretary
4 is unable to make each of the determinations
5 required by subsection (i)(3).

6 “(2) USE OF FUNDS.—The costs for which a
7 grant may be made under subparagraph (A) or (B)
8 of paragraph (1) may include the costs of acquiring,
9 expanding, and modernizing existing buildings and
10 constructing new buildings (including the costs of
11 amortizing the principal of, and paying interest on,
12 loans), the costs of repaying loans for buildings, and
13 the costs of providing training related to the provi-
14 sion of required primary health services and addi-
15 tional health services and to the management of
16 health center programs.

17 “(3) LIMITATION.—Not more than two grants
18 may be made under subparagraph (B) of paragraph
19 (1) for the same entity.

20 “(4) AMOUNT.—

21 “(A) IN GENERAL.—The amount of any
22 grant made in any fiscal year under paragraph
23 (1) to a health center shall be determined by
24 the Secretary, but may not exceed the amount

1 by which the costs of operation of the center in
2 such fiscal year exceed the total of—

3 “(i) State, local, and other operational
4 funding provided to the center; and

5 “(ii) the fees, premiums, and third-
6 party reimbursements, which the center
7 may reasonably be expected to receive for
8 its operations in such fiscal year.

9 “(B) PAYMENTS.—Payments under grants
10 under subparagraph (A) or (B) of paragraph
11 (1) shall be made in advance or by way of reim-
12 bursement and in such installments as the Sec-
13 retary finds necessary and adjustments may be
14 made for overpayments or underpayments.

15 “(C) USE OF NONGRANT FUNDS.—
16 Nongrant funds described in clauses (i) and (ii)
17 of subparagraph (A), including any such funds
18 in excess of those originally expected, shall be
19 used as permitted under this section, and may
20 be used for such other purposes as are not spe-
21 cifically prohibited under this section if such
22 use furthers the objectives of the project.

23 “(e) INFANT MORTALITY GRANTS.—

1 “(1) IN GENERAL.—The Secretary may make
2 grants to health centers for the purpose of assisting
3 such centers in—

4 “(A) providing comprehensive health care
5 and support services for the reduction of—

6 “(i) the incidence of infant mortality;
7 and

8 “(ii) morbidity among children who
9 are less than 3 years of age; and

10 “(B) developing and coordinating service
11 and referral arrangements between health cen-
12 ters and other entities for the health manage-
13 ment of pregnant women and children described
14 in subparagraph (A).

15 “(2) PRIORITY.—In making grants under this
16 subsection the Secretary shall give priority to health
17 centers providing services to any medically under-
18 served population among which there is a substantial
19 incidence of infant mortality or among which there
20 is a significant increase in the incidence of infant
21 mortality.

22 “(3) REQUIREMENTS.—The Secretary may
23 make a grant under this subsection only if the
24 health center involved agrees that—

1 “(A) the center will coordinate the provi-
2 sion of services under the grant to each of the
3 recipients of the services;

4 “(B) such services will be continuous for
5 each such recipient;

6 “(C) the center will provide follow-up serv-
7 ices for individuals who are referred by the cen-
8 ter for services described in paragraph (1);

9 “(D) the grant will be expended to supple-
10 ment, and not supplant, the expenditures of the
11 center for primary health services (including
12 prenatal care) with respect to the purpose de-
13 scribed in this subsection; and

14 “(E) the center will coordinate the provi-
15 sion of services with other maternal and child
16 health providers operating in the catchment
17 area.

18 “(f) MIGRATORY AND SEASONAL AGRICULTURAL
19 WORKERS.—

20 “(1) IN GENERAL.—The Secretary may award
21 grants for the purposes described in subsections (c),
22 (d), and (e) for the planning and delivery of services
23 to a special medically underserved population com-
24 prised of—

1 “(A) migratory agricultural workers, sea-
2 sonal agricultural workers, and members of the
3 families of such migratory and seasonal agricul-
4 tural workers who are within a designated
5 catchment area; and

6 “(B) individuals who have previously been
7 migratory agricultural workers but who no
8 longer meet the requirements of subparagraph
9 (A) of paragraph (4) because of age or disabil-
10 ity and members of the families of such individ-
11 uals who are within such catchment area.

12 “(2) ENVIRONMENTAL CONCERNS.—The Sec-
13 retary may enter into grants or contracts under this
14 subsection with public and private entities to—

15 “(A) assist the States in the implementa-
16 tion and enforcement of acceptable environ-
17 mental health standards, including enforcement
18 of standards for sanitation in migratory agricul-
19 tural worker labor camps, and applicable Fed-
20 eral and State pesticide control standards; and

21 “(B) conduct projects and studies to assist
22 the several States and entities which have re-
23 ceived grants or contracts under this section in
24 the assessment of problems related to camp and
25 field sanitation, exposure to unsafe levels of ag-

1 ricultural chemicals including pesticides, and
2 other environmental health hazards to which
3 migratory agricultural workers and members of
4 their families are exposed.

5 “(3) DEFINITIONS.—For purposes of this sub-
6 section:

7 “(A) MIGRATORY AGRICULTURAL WORK-
8 ER.—The term ‘migratory agricultural worker’
9 means an individual whose principal employ-
10 ment is in agriculture on a seasonal basis, who
11 has been so employed within the last 24
12 months, and who establishes for the purposes of
13 such employment a temporary abode.

14 “(B) SEASONAL AGRICULTURAL WORK-
15 ER.—The term ‘seasonal agricultural worker’
16 means an individual whose principal employ-
17 ment is in agriculture on a seasonal basis and
18 who is not a migratory agricultural worker.

19 “(C) AGRICULTURE.—The term ‘agri-
20 culture’ means farming in all its branches, in-
21 cluding—

22 “(i) cultivation and tillage of the soil;

23 “(ii) the production, cultivation, grow-
24 ing, and harvesting of any commodity
25 grown on, in, or as an adjunct to or part

1 of a commodity grown in or on, the land;
2 and

3 “(iii) any practice (including prepara-
4 tion and processing for market and deliv-
5 ery to storage or to market or to carriers
6 for transportation to market) performed by
7 a farmer or on a farm incident to or in
8 conjunction with an activity described in
9 clause (ii).

10 “(g) HOMELESS POPULATION.—

11 “(1) IN GENERAL.—The Secretary may award
12 grants for the purposes described in subsections (c),
13 (d), and (e) for the planning and delivery of services
14 to a special medically underserved population com-
15 prised of homeless individuals, including grants for
16 innovative programs that provide outreach and com-
17 prehensive primary health services to homeless chil-
18 dren and children at risk of homelessness.

19 “(2) REQUIRED SERVICES.—In addition to re-
20 quired primary health services (as defined in sub-
21 section (b)(1)), an entity that receives a grant under
22 this subsection shall be required to provide sub-
23 stance abuse services as a condition of such grant.

24 “(3) SUPPLEMENT NOT SUPPLANT REQUIRE-
25 MENT.—A grant awarded under this subsection shall

1 be expended to supplement, and not supplant, the
2 expenditures of the health center and the value of in
3 kind contributions for the delivery of services to the
4 population described in paragraph (1).

5 “(4) DEFINITIONS.—For purposes of this sec-
6 tion:

7 “(A) HOMELESS INDIVIDUAL.—The term
8 ‘homeless individual’ means an individual who
9 lacks housing (without regard to whether the
10 individual is a member of a family), including
11 an individual whose primary residence during
12 the night is a supervised public or private facil-
13 ity that provides temporary living accommoda-
14 tions and an individual who is a resident in
15 transitional housing.

16 “(B) SUBSTANCE ABUSE.—The term ‘sub-
17 stance abuse’ has the same meaning given such
18 term in section 534(4).

19 “(C) SUBSTANCE ABUSE SERVICES.—The
20 term ‘substance abuse services’ includes detoxi-
21 fication and residential treatment for substance
22 abuse provided in settings other than hospitals.

23 “(h) RESIDENTS OF PUBLIC HOUSING.—

24 “(1) IN GENERAL.—The Secretary may award
25 grants for the purposes described in subsections (c),

1 (d), and (e) for the planning and delivery of services
2 to a special medically underserved population com-
3 prised of residents of public housing (such term, for
4 purposes of this subsection, shall have the same
5 meaning given such term in section 3(b)(1) of the
6 United States Housing Act of 1937) and individuals
7 living in areas immediately accessible to such public
8 housing.

9 “(2) SUPPLEMENT NOT SUPPLANT.—A grant
10 awarded under this subsection shall be expended to
11 supplement, and not supplant, the expenditures of
12 the health center and the value of in kind contribu-
13 tions for the delivery of services to the population
14 described in paragraph (1).

15 “(3) CONSULTATION WITH RESIDENTS.—The
16 Secretary may not make a grant under paragraph
17 (1) unless, with respect to the residents of the public
18 housing involved, the applicant for the grant—

19 “(A) has consulted with the residents in
20 the preparation of the application for the grant;
21 and

22 “(B) agrees to provide for ongoing con-
23 sultation with the residents regarding the plan-
24 ning and administration of the program carried
25 out with the grant.

1 “(i) APPLICATIONS.—

2 “(1) SUBMISSION.—No grant may be made
3 under this section unless an application therefore is
4 submitted to, and approved by, the Secretary. Such
5 an application shall be submitted in such form and
6 manner and shall contain such information as the
7 Secretary shall prescribe.

8 “(2) DESCRIPTION OF NEED.—An application
9 for a grant under subparagraph (A) or (B) of sub-
10 section (d)(1) for a health center shall include—

11 “(A) a description of the need for health
12 services in the catchment area of the center;

13 “(B) a demonstration by the applicant that
14 the area or the population group to be served
15 by the applicant has a shortage of personal
16 health services; and

17 “(C) a demonstration that the center will
18 be located so that it will provide services to the
19 greatest number of individuals residing in the
20 catchment area or included in such population
21 group.

22 Such a demonstration shall be made on the basis of
23 the criteria prescribed by the Secretary under sub-
24 section (b)(3) or on any other criteria which the Sec-
25 retary may prescribe to determine if the area or pop-

1 ulation group to be served by the applicant has a
2 shortage of personal health services. In considering
3 an application for a grant under subparagraph (A)
4 or (B) of subsection (d)(1), the Secretary may re-
5 quire as a condition to the approval of such applica-
6 tion an assurance that the applicant will provide any
7 health service defined under paragraphs (1) and (2)
8 of subsection (b) that the Secretary finds is needed
9 to meet specific health needs of the area to be served
10 by the applicant. Such a finding shall be made in
11 writing and a copy shall be provided to the appli-
12 cant.

13 “(3) REQUIREMENTS.—Except as provided in
14 subsection (d)(1)(B), the Secretary may not approve
15 an application for a grant under subparagraph (A)
16 or (B) of subsection (d)(1) unless the Secretary de-
17 termines that the entity for which the application is
18 submitted is a health center (within the meaning of
19 subsection (a)) and that—

20 “(A) the required primary health services
21 of the center will be available and accessible in
22 the catchment area of the center promptly, as
23 appropriate, and in a manner which assures
24 continuity;

1 “(B) the center will have an ongoing qual-
2 ity improvement system that includes clinical
3 services and management, and that maintains
4 the confidentiality of patient records;

5 “(C) the center will demonstrate its finan-
6 cial responsibility by the use of such accounting
7 procedures and other requirements as may be
8 prescribed by the Secretary;

9 “(D) the center—

10 “(i) has or will have a contractual or
11 other arrangement with the agency of the
12 State, in which it provides services, which
13 administers or supervises the administra-
14 tion of a State plan approved under title
15 XIX of the Social Security Act for the pay-
16 ment of all or a part of the center’s costs
17 in providing health services to persons who
18 are eligible for medical assistance under
19 such a State plan; or

20 “(ii) has made or will make every rea-
21 sonable effort to enter into such an ar-
22 rangement;

23 “(E) the center has made or will make and
24 will continue to make every reasonable effort to
25 collect appropriate reimbursement for its costs

1 in providing health services to persons who are
2 entitled to insurance benefits under title XVIII
3 of the Social Security Act, to medical assistance
4 under a State plan approved under title XIX of
5 such Act, or to assistance for medical expenses
6 under any other public assistance program or
7 private health insurance program;

8 “(F) the center—

9 “(i) has prepared a schedule of fees or
10 payments for the provision of its services
11 consistent with locally prevailing rates or
12 charges and designed to cover its reason-
13 able costs of operation and has prepared a
14 corresponding schedule of discounts to be
15 applied to the payment of such fees or pay-
16 ments, which discounts are adjusted on the
17 basis of the patient’s ability to pay;

18 “(ii) has made and will continue to
19 make every reasonable effort—

20 “(I) to secure from patients pay-
21 ment for services in accordance with
22 such schedules; and

23 “(II) to collect reimbursement for
24 health services to persons described in
25 subparagraph (E) on the basis of the

1 full amount of fees and payments for
2 such services without application of
3 any discount; and

4 “(iii) has submitted to the Secretary
5 such reports as the Secretary may require
6 to determine compliance with this subpara-
7 graph;

8 “(G) the center has established a govern-
9 ing board which except in the case of an entity
10 operated by an Indian tribe or tribal or Indian
11 organization under the Indian Self-Determina-
12 tion Act—

13 “(i) is composed of individuals, a ma-
14 jority of whom are being served by the cen-
15 ter and who, as a group, represent the in-
16 dividuals being served by the center;

17 “(ii) meets at least once a month, se-
18 lects the services to be provided by the cen-
19 ter, schedules the hours during which such
20 services will be provided, approves the cen-
21 ter’s annual budget, approves the selection
22 of a director for the center, and, except in
23 the case of a governing board of a public
24 center (as defined in the second sentence

of this paragraph), establishes general policies for the center; and

“(iii) in the case of an application for a second or subsequent grant for a public center, has approved the application or if the governing body has not approved the application, the failure of the governing body to approve the application was unreasonable;

except that, upon a showing of good cause the Secretary shall waive all or part of the requirements of this subparagraph in the case of a health center that receives a grant pursuant to subsection (f), (g), (h), or (o);

“(H) the center has developed—

“(i) an overall plan and budget that meets the requirements of the Secretary; and

“(ii) an effective procedure for compiling and reporting to the Secretary such statistics and other information as the Secretary may require relating to—

“(I) the costs of its operations;

“(II) the patterns of use of its services;

1 “(III) the availability, accessibil-
2 ity, and acceptability of its services;
3 and

4 “(IV) such other matters relating
5 to operations of the applicant as the
6 Secretary may require;

7 “(I) the center will review periodically its
8 catchment area to—

9 “(i) ensure that the size of such area
10 is such that the services to be provided
11 through the center (including any satellite)
12 are available and accessible to the resi-
13 dents of the area promptly and as appro-
14 priate;

15 “(ii) ensure that the boundaries of
16 such area conform, to the extent prac-
17 ticable, to relevant boundaries of political
18 subdivisions, school districts, and Federal
19 and State health and social service pro-
20 grams; and

21 “(iii) ensure that the boundaries of
22 such area eliminate, to the extent possible,
23 barriers to access to the services of the
24 center, including barriers resulting from
25 the area’s physical characteristics, its resi-

1 dential patterns, its economic and social
2 grouping, and available transportation;

3 “(J) in the case of a center which serves
4 a population including a substantial proportion
5 of individuals of limited English-speaking abil-
6 ity, the center has—

7 “(i) developed a plan and made ar-
8 rangements responsive to the needs of such
9 population for providing services to the ex-
10 tent practicable in the language and cul-
11 tural context most appropriate to such in-
12 dividuals; and

13 “(ii) identified an individual on its
14 staff who is fluent in both that language
15 and in English and whose responsibilities
16 shall include providing guidance to such in-
17 dividuals and to appropriate staff members
18 with respect to cultural sensitivities and
19 bridging linguistic and cultural differences;
20 and

21 “(K) the center, has developed an ongoing
22 referral relationship with one or more hospitals.

23 For purposes of subparagraph (G), the term ‘public
24 center’ means a health center funded (or to be fund-

1 ed) through a grant under this section to a public
2 agency.

3 “(4) APPROVAL OF NEW OR EXPANDED SERV-
4 ICE APPLICATIONS.—The Secretary shall approve
5 applications for grants under subparagraph (A) or
6 (B) of subsection (d)(1) for health centers which—

7 “(A) have not received a previous grant
8 under such subsection; or

9 “(B) have applied for such a grant to ex-
10 pand their services;

11 in such a manner that the ratio of the medically un-
12 derserved populations in rural areas which may be
13 expected to use the services provided by such centers
14 to the medically underserved populations in urban
15 areas which may be expected to use the services pro-
16 vided by such centers is not less than two to three
17 or greater than three to two.

18 “(5) NEW CONSTRUCTION.—The Secretary may
19 make a grant under subsection (c) or (d) for the
20 construction of new buildings for a health center
21 only if the Secretary determines that appropriate fa-
22 cilities are not available through acquiring, mod-
23 ernizing, or expanding existing buildings and that
24 the entity to which the grant will be made has made
25 reasonable efforts to secure from other sources

1 funds, in lieu of the grant, to construct such facili-
2 ties.

3 “(j) TECHNICAL AND OTHER ASSISTANCE.—The
4 Secretary may provide (either through the Department of
5 Health and Human Services or by grant or contract) all
6 necessary technical and other nonfinancial assistance (in-
7 cluding fiscal and program management assistance and
8 training in such management) to any public or private
9 nonprofit entity to assist entities in developing plans for,
10 or operating as, health centers, and in meeting the re-
11 quirements of subsection (i)(2).

12 “(k) AUTHORIZATION OF APPROPRIATIONS.—

13 “(1) IN GENERAL.—For the purpose of carry-
14 ing out this section there are authorized to be appro-
15 priated \$756,518,000 for fiscal year 1997, and such
16 sums as may be necessary for each of the fiscal
17 years 1998 through 2001.

18 “(2) SPECIAL PROVISIONS.—

19 “(A) PUBLIC CENTERS.—The Secretary
20 may not expend in any fiscal year, for grants
21 under this section to public centers (as defined
22 in the second sentence of subsection (i)(3)) the
23 governing boards of which (as described in sub-
24 section (i)(3)(G)(ii)) do not establish general
25 policies for such centers, an amount which ex-

ceeds 5 percent of the amounts appropriated under this section for that fiscal year. For purposes of applying the preceding sentence, the term ‘public centers’ shall not include health centers that receive grants pursuant to subsection (g) or (h).

“(B) DISTRIBUTION OF GRANTS.—

“(i) FISCAL YEAR 1997.—For fiscal year 1997, the Secretary, in awarding grants under this section shall ensure that the amounts made available under each of subsections (f), (g), and (h) in such fiscal year bears the same relationship to the total amount appropriated for such fiscal year under paragraph (1) as the amounts appropriated for fiscal year 1996 under each of sections 329, 340, and 340A (as such sections existed one day prior to the date of enactment of this section) bears to the total amount appropriated under sections 329, 330, 340, and 340A (as such sections existed one day prior to the date of enactment of this section) for such fiscal year.

1 “(ii) FISCAL YEARS 1998 AND 1999.—

2 For each of the fiscal years 1998 and
3 1999, the Secretary, in awarding grants
4 under this section shall ensure that the
5 proportion of the amounts made available
6 under each of subsections (f), (g), and (h)
7 is equal to the proportion of amounts made
8 available under each such subsection for
9 the previous fiscal year, as such amounts
10 relate to the total amounts appropriated
11 for the previous fiscal year involved, in-
12 creased or decreased by not more than 10
13 percent.

14 “(3) FUNDING REPORT.—The Secretary shall
15 annually prepare and submit to the appropriate com-
16 mittees of Congress a report concerning the distribu-
17 tion of funds under this section that are provided to
18 meet the health care needs of medically underserved
19 populations, including the homeless, residents of
20 public housing, and migratory and seasonal agricul-
21 tural workers, and the appropriateness of the deliv-
22 ery systems involved in responding to the needs of
23 the particular populations. Such report shall include
24 an assessment of the relative health care access
25 needs of the targeted populations and the rationale

1 for any substantial changes in the distribution of
2 funds.

3 “(l) MEMORANDUM OF AGREEMENT.—In carrying
4 out this section, the Secretary may enter into a memoran-
5 dum of agreement with a State. Such memorandum may
6 include, where appropriate, provisions permitting such
7 State to—

8 “(1) analyze the need for primary health serv-
9 ices for medically underserved populations within
10 such State;

11 “(2) assist in the planning and development of
12 new health centers;

13 “(3) review and comment upon annual program
14 plans and budgets of health centers, including com-
15 ments upon allocations of health care resources in
16 the State;

17 “(4) assist health centers in the development of
18 clinical practices and fiscal and administrative sys-
19 tems through a technical assistance plan which is re-
20 sponsive to the requests of health centers; and

21 “(5) share information and data relevant to the
22 operation of new and existing health centers.

23 “(m) RECORDS.—

1 “(1) IN GENERAL.—Each entity which receives
2 a grant under subsection (d) shall establish and
3 maintain such records as the Secretary shall require.

4 “(2) AVAILABILITY.—Each entity which is re-
5 quired to establish and maintain records under this
6 subsection shall make such books, documents, pa-
7 pers, and records available to the Secretary or the
8 Comptroller General of the United States, or any of
9 their duly authorized representatives, for examina-
10 tion, copying or mechanical reproduction on or off
11 the premises of such entity upon a reasonable re-
12 quest therefore. The Secretary and the Comptroller
13 General of the United States, or any of their duly
14 authorized representatives, shall have the authority
15 to conduct such examination, copying, and reproduc-
16 tion.

17 “(n) DELEGATION OF AUTHORITY.—The Secretary
18 may delegate the authority to administer the programs au-
19 thorized by this section to any office within the Service,
20 except that the authority to enter into, modify, or issue
21 approvals with respect to grants or contracts may be dele-
22 gated only within the Health Resources and Services Ad-
23 ministration.

24 “(o) SPECIAL CONSIDERATION.—In making grants
25 under this section, the Secretary shall give special consid-

1 eration to the unique needs of sparsely populated rural
 2 areas, including priority in the awarding of grants for new
 3 health centers under subsections (c) and (d), and the
 4 granting of waivers as appropriate and permitted under
 5 subsections (b)(1)(B)(i) and (i)(3)(G).”.

6 **SEC. 3. RURAL HEALTH OUTREACH, NETWORK DEVELOP-**
 7 **MENT, AND TELEMEDICINE GRANT PRO-**
 8 **GRAM.**

9 (a) IN GENERAL.—Subpart I of part D of title III
 10 of the Public Health Service Act (42 U.S.C. 254b et seq.)
 11 (as amended by section 2) is further amended by adding
 12 at the end thereof the following new section:

13 **“SEC. 330A. RURAL HEALTH OUTREACH, NETWORK DEVEL-**
 14 **OPMENT, AND TELEMEDICINE GRANT PRO-**
 15 **GRAM.**

16 “(a) ADMINISTRATION.—The rural health services
 17 outreach demonstration grant program established under
 18 section 301 shall be administered by the Office of Rural
 19 Health Policy (of the Health Resources and Services Ad-
 20 ministration), in consultation with State rural health of-
 21 fices or other appropriate State governmental entities.

22 “(b) GRANTS.—Under the program referred to in
 23 subsection (a), the Secretary, acting through the Director
 24 of the Office of Rural Health Policy, may award grants
 25 to expand access to, coordinate, restrain the cost of, and

1 improve the quality of essential health care services, in-
2 cluding preventive and emergency services, through the
3 development of integrated health care delivery systems or
4 networks in rural areas and regions.

5 “(c) ELIGIBLE NETWORKS.—

6 “(1) OUTREACH NETWORKS.—To be eligible to
7 receive a grant under this section, an entity shall—

8 “(A) be a rural public or nonprofit private
9 entity that is or represents a network or poten-
10 tial network that includes three or more health
11 care providers or other entities that provide or
12 support the delivery of health care services; and

13 “(B) in consultation with the State office
14 of rural health or other appropriate State en-
15 tity, prepare and submit to the Secretary an ap-
16 plication, at such time, in such manner, and
17 containing such information as the Secretary
18 may require, including—

19 “(i) a description of the activities
20 which the applicant intends to carry out
21 using amounts provided under the grant;

22 “(ii) a plan for continuing the project
23 after Federal support is ended;

24 “(iii) a description of the manner in
25 which the activities funded under the grant

1 will meet health care needs of underserved
2 rural populations within the State; and

3 “(iv) a description of how the local
4 community or region to be served by the
5 network or proposed network will be in-
6 volved in the development and ongoing op-
7 erations of the network.

8 “(2) FOR-PROFIT ENTITIES.—An eligible net-
9 work may include for-profit entities so long as the
10 network grantee is a nonprofit entity.

11 “(3) TELEMEDICINE NETWORKS.—

12 “(A) IN GENERAL.—An entity that is a
13 health care provider and a member of an exist-
14 ing or proposed telemedicine network, or an en-
15 tity that is a consortium of health care provid-
16 ers that are members of an existing or proposed
17 telemedicine network shall be eligible for a
18 grant under this section.

19 “(B) REQUIREMENT.—A telemedicine net-
20 work referred to in subparagraph (A) shall, at
21 a minimum, be composed of—

22 “(i) a multispecialty entity that is lo-
23 cated in an urban or rural area, which can
24 provide 24-hour a day access to a range of
25 specialty care; and

1 “(ii) at least two rural health care fa-
2 cilities, which may include rural hospitals,
3 rural physician offices, rural health clinics,
4 rural community health clinics, and rural
5 nursing homes.

6 “(d) PREFERENCE.—In awarding grants under this
7 section, the Secretary shall give preference to applicant
8 networks that include—

9 “(1) a majority of the health care providers
10 serving in the area or region to be served by the net-
11 work;

12 “(2) any federally qualified health centers, rural
13 health clinics, and local public health departments
14 serving in the area or region;

15 “(3) outpatient mental health providers serving
16 in the area or region; or

17 “(4) appropriate social service providers, such
18 as agencies on aging, school systems, and providers
19 under the women, infants, and children program, to
20 improve access to and coordination of health care
21 services.

22 “(e) USE OF FUNDS.—

23 “(1) IN GENERAL.—Amounts provided under
24 grants awarded under this section shall be used—

1 “(A) for the planning and development of
2 integrated self-sustaining health care networks;
3 and

4 “(B) for the initial provision of services.

5 “(2) EXPENDITURES IN RURAL AREAS.—

6 “(A) IN GENERAL.—In awarding a grant
7 under this section, the Secretary shall ensure
8 that not less than 50 percent of the grant
9 award is expended in a rural area or to provide
10 services to residents of rural areas.

11 “(B) TELEMEDICINE NETWORKS.—An en-
12 tity described in subsection (c)(3) may not use
13 in excess of—

14 “(i) 40 percent of the amounts pro-
15 vided under a grant under this section to
16 carry out activities under paragraph
17 (3)(A)(iii); and

18 “(ii) 20 percent of the amounts pro-
19 vided under a grant under this section to
20 pay for the indirect costs associated with
21 carrying out the purposes of such grant.

22 “(3) TELEMEDICINE NETWORKS.—

23 “(A) IN GENERAL.—An entity described in
24 subsection (c)(3), may use amounts provided
25 under a grant under this section to—

1 “(i) demonstrate the use of
2 telemedicine in facilitating the development
3 of rural health care networks and for im-
4 proving access to health care services for
5 rural citizens;

6 “(ii) provide a baseline of information
7 for a systematic evaluation of telemedicine
8 systems serving rural areas;

9 “(iii) purchase or lease and install
10 equipment; and

11 “(iv) operate the telemedicine system
12 and evaluate the telemedicine system.

13 “(B) LIMITATIONS.—An entity described
14 in subsection (c)(3), may not use amounts pro-
15 vided under a grant under this section—

16 “(i) to build or acquire real property;

17 “(ii) purchase or install transmission
18 equipment (such as laying cable or tele-
19 phone lines, microwave towers, satellite
20 dishes, amplifiers, and digital switching
21 equipment); or

22 “(iii) for construction, except that
23 such funds may be expended for minor
24 renovations relating to the installation of
25 equipment;

1 “(f) TERM OF GRANTS.—Funding may not be pro-
2 vided to a network under this section for in excess of a
3 3-year period.

4 “(g) AUTHORIZATION OF APPROPRIATIONS.—For the
5 purpose of carrying out this section there are authorized
6 to be appropriated \$36,000,000 for fiscal year 1997, and
7 such sums as may be necessary for each of the fiscal years
8 1998 through 2001.”.

9 (b) TRANSITION.—The Secretary of Health and
10 Human Services shall ensure the continued funding of
11 grants made, or contracts or cooperative agreements en-
12 tered into, under subpart I of part D of title III of the
13 Public Health Service Act (42 U.S.C. 254b et seq.) (as
14 such subpart existed on the day prior to the date of enact-
15 ment of this Act), until the expiration of the grant period
16 or the term of the contract or cooperative agreement. Such
17 funding shall be continued under the same terms and con-
18 ditions as were in effect on the date on which the grant,
19 contract or cooperative agreement was awarded, subject
20 to the availability of appropriations.

21 **SEC. 4. TECHNICAL AND CONFORMING AMENDMENTS.**

22 (a) IN GENERAL.—The Public Health Service Act is
23 amended—

1 (1) in section 224(g)(4) (42 U.S.C. 233(g)(4))
 2 by striking “under” and all that follows through the
 3 end thereof and inserting “under section 330.”;

4 (2) in section 340C(a)(2) (42 U.S.C. 256c) by
 5 striking “under” and all that follows through the
 6 end thereof and inserting “with assistance provided
 7 under section 330.”; and

8 (3) by repealing subparts V and VI of part D
 9 of title III (42 U.S.C. 256 et seq.).

10 (b) SOCIAL SECURITY ACT.—The Social Security Act
 11 is amended—

12 (1) in clauses (i) and (ii)(I) of section
 13 1861(aa)(4)(A) (42 U.S.C. 1395x(aa)(4)(A)(i) and
 14 (ii)(I)) by striking “section 329, 330, or 340” and
 15 inserting “section 330 (other than subsection (h))”;
 16 and

17 (2) in clauses (i) and (ii)(II) of section
 18 1905(l)(2)(B) (42 U.S.C. 1396d(l)(2)(B)(i) and
 19 (ii)(II)) by striking “section 329, 330, 340, or
 20 340A” and inserting “section 330”.

21 (c) REFERENCES.—Whenever any reference is made
 22 in any provision of law, regulation, rule, record, or docu-
 23 ment to a community health center, migrant health center,
 24 public housing health center, or homeless health center,

1 such reference shall be considered a reference to a health
 2 center.

3 (d) ADDITIONAL AMENDMENTS.—After consultation
 4 with the appropriate committees of the Congress, the Sec-
 5 retary of Health and Human Services shall prepare and
 6 submit to the Congress a legislative proposal in the form
 7 of an implementing bill containing technical and conform-
 8 ing amendments to reflect the changes made by this Act.

9 **SEC. 5. EFFECTIVE DATE.**

10 This Act and the amendments made by this Act shall
 11 become effective on October 1, 1996.



HR 3081 IH—2

HR 3081 IH—3

HR 3081 IH—4